

City of Detroit

CITY COUNCIL

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ANNE MARIE LANGAN
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TO: Raymond Scott, General Manager
Environmental Affairs

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 5, 2010

RE: 2010-2011 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2010-2011 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Norman White, Finance Department Director
Pamela Scales, Budget Department Director
Ron Chenault, Budget Department Team Leader
Kamau Marable, Mayor's Office

Environmental Affairs (22)

FY 2010-11 Budget Analysis by the Fiscal Analysis Division

Summary

The Department of Environmental Affairs (DEA) is a General Fund Agency. The DEA was formally established in the Detroit City Charter in Article 6, Chapter 6, Sections 6-601 through 6-605 in the Charter Revisions of 1996. The Mayor's Proposed Budget for 2010-11 includes a plan to fold the operations of the Environmental Affairs Department into the Building Safety and Engineering Department and form the newly reorganized Building Safety and Environmental Department. The Mayor also plans for zero funding for an independent Environmental Affairs Department by eliminating its \$1,314,105 in funding from the current fiscal year. The department's revenue (\$68,000) and Net Tax Cost (\$1,246,105), from the current fiscal year, are also eliminated.

2009-10 Surplus/(Deficit)

The estimated surplus for the Department of Environmental Affairs is \$400,186 million for fiscal year 2009-10. The surplus is comprised of a revenue surplus of \$352,000 and an appropriation surplus of \$48,186, due to vacancies.

Overtime

The Mayor's Proposed Budget for fiscal year 2010-11 includes no dollars for overtime expenses in the department, which is no change from the current fiscal year. As of March 31, 2010, the department has expended zero dollars on overtime.

Personnel and Turnover Savings

There are no projected personnel or turnover savings for this department.

Proposed Layoffs and Position Changes

The Mayor's Proposed Budget for 2010-11 FY includes the reduction of the department's 11 positions. The 11 reductions include the transfer of 7 positions to Building Safety & Environmental, to the department's new "Environmental Affairs Department" section (pending Council approval). Also included in the reductions is the elimination of 4 positions.

Ten of the positions in the Department of Environmental Affairs are currently occupied in the current 2010-11 fiscal year. It is not clear if the elimination of positions in Environmental Affairs includes any layoffs.

The following is information comparing budgeted FY 2009-10 positions, March 31, 2010 filled positions, and FY 10-11 recommended positions.

<u>Appropriation/Program</u>	<u>Redbook Positions</u>	<u>Filled Positions</u>	<u>Mayor's Budget Positions</u>	<u>Over/(Under) Actual to 09/10 Budget</u>	<u>Mayor's Recommended Turnover</u>
Environmental Affairs (22):	FY 2009-10	3/31/2009	FY 2009-10		
00935 Environmental Affairs					
Administration	11	10	0	(1)	\$ -
13XXXX Leave of Absence	0	0	0	0	\$ -
13XXXX Worker's Comp.	0	0	0	0	\$ -
13XXXX Unmatched Positions	0	0	0	0	\$ -
TOTAL	<u>11</u>	<u>10</u>	<u>0</u>	<u>(1)</u>	<u>\$ -</u>

Significant Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
00935	Environmental Affairs Administration	This appropriation funding is eliminated due to the proposed transfer of the department's operations to the newly reorganized Building Safety & Environmental Department in 2010-11.

Environmental Affairs (22)

	<u>FY 2009-10 Budget</u>	<u>FY 2010-11 Recommended</u>	<u>Increase (Decrease)</u>
<u>Budgeted Professional and Contractual Services by Activity</u>			
Environmental Affairs	\$ 150,000	\$ -	\$ (150,000)
Environmental Code Enforcement	=	=	=
Total	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ (150,000)</u>

The department's professional and contractual services of \$150,000 are eliminated, due to the proposed transfer of the department's activities to the new Building and Safety Environmental Department in the 2010-11 FY.

Significant Revenues by Appropriation and Source

<u>Appro.</u>	<u>Program</u>	
00935	Environmental Affairs Administration	This revenue appropriation of \$68,000 is eliminated in the 2010-11 FY, due to the proposed transfer of the department's activities to the new Building and Safety Environmental Department.

Issues and Questions

The Mayor has recommended the consolidation of the Department of Environmental Affairs and BS&E as a cost saving option. For 2010-11, the Mayor has recommended the elimination of 4 of the Department of Environmental Affairs 11 positions, transferring 7 positions in 2010-11 to BS&E. The Mayor is also eliminating the department's appropriations, which total \$1,314,105 in the current fiscal year, due to the transfer to BS&E as well. The level that transfers to BS&E, however, totals \$680,592, a \$633,513 (48.2%) operational reduction for the BS&E "Environmental Department" section in 2010-11. The level of revenue, which is also eliminated from the Department of Environmental Affairs, remains unchanged after its transfer to BS&E under its Environmental section at \$68,000 in the 2010-11 FY.

- Regarding the four positions that are being eliminated (one Environmental Affairs Director, one Manager II environmental Affairs, one Office Management Assistant-Exempted and one Executive Secretary), what is the plan for the employees currently occupying those positions? Does the plan involve any layoffs?
- Will the 7 positions that transfer over to BS&E include the same employees that are currently in those titles?
- Has any of the transfer taken place, or is the plan to begin the transfer after July 1 2010?
- What is the anticipated impact on the daily operation of Environmental Affairs with the loss of four positions?
- Is the department confident it can generate revenue at the same level of the current fiscal year with four fewer positions?
- Will Environmental Affairs change its focus in the upcoming fiscal year given the changes planned for the department? What is the anticipated impact of the merger with BS&E?
- Does your agency currently have any cars? If so, how many cars will be turned in from your agency?
- How many employees who are turning in cars will be given a stipend? How many are currently receiving a stipend?
- What, if any, operational issues do you anticipate, due to the turning in of vehicles?
- Why were the vehicles in your agency not turned in during the last fleet reduction effort?

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